Approved For Release 2005/05/12 : CIA-RDP79R01012A001200010032-1

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SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

BOARD OF NATIONAL ESTIMATES

25 November 1952

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: NIE-40: "Potential Military, Economic, and Scientific Accretions to the USSR Resulting from the Acquisition of Western Europe in the Foreseeable Future"

I. Background

1. This estimate was included in the program of estimates for 1951, approved by the IAC (see item 14, IAC-D-1). The basic contribution was levied on the EIC in June 1951. The EIC contribution was completed in April 1952.

2. It was hoped that this estimate would provide an answer to a question which arose frequently in discussions on Soviet estimates: To what extent could the USSR integrate and effectively utilize the resources of Western Europe if the USSR overran this area? It was assumed that the USSR could take Western Europe pretty much intact, an assumption much more valid 18 months ago than today.

3. A corollary objective in undertaking the estimate was to furnish background material for studies of Soviet vulnerabilities.

4. Due to the pressure of other work, this office did not complete a draft estimate until 21 October 1952.

5. The Board reviewed the draft estimate on 10 November, and, with the concurrence of the Chairman of the EIC, agreed to recommend to the IAC that this estimate be cancelled.

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II. Discussion

6. The primary reasons why the Board recommends that this estimate be cancelled are:

a. The original assumption that Western Europe would fall undamaged in Soviet hands is no longer realistic;

b. Machinery does not now exist for realistically taking into account the effect of war damage once the basic assumption is removed; and,

c. There is no way to measure the wastage of productive capacity inherent in the process of Sovietizing Western Europe.

7. The draft estimate, as it stands, does furnish background material which is useful to those engaged in studies of Soviet vulnerability. But in this respect the draft estimate is less useful than is the more complete EIC contribution.

III. Conclusion

8. The Board therefore concludes:

a. That the economic and military contributions for NIE-40 are most useful, at the present stage of analysis of the problem, in the form in which they have already been distributed; and,

b. That the next step needed for a realistic and useful appraisal of the strategic value of Western Europe to the Soviet Bloc must involve knowledge of US and NATO forces and plans, and must therefore represent a "commander's estimate", the scope of which goes beyond IAC responsibility.

IV. Recommendations

9. That the IAC cancel NIE-40.

10. That the EIC review its contribution with a view to making such additional distribution as it deems necessary to furnish interested parties with the contents thereof.

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V. Action

11. Please notify me by telephone of your concurrence or non-concurrence in the above recommendations [redacted] 25X1

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